



California Department of Veterans Affairs
Disabled Veteran Business Enterprise (DVBE) Advisory Council
Meeting Minutes, Wednesday, Sept. 17, 2003

Location

Medal of Honor Hall
California Department of Veterans Affairs (CDVA)
1227 O St., 1st Flr.
Sacramento, CA 95814

Participants

• **DVBE Advisory Council Members Present**

- Allen Amaro
- Larry Brooks
- Gene Farnsworth
- Don Gonneville (co-chair)
- Ken Jackson
- Floyd Knox
- Rondia Moss
- Bob Mulz
- Kevin O'Connor
- John Rak
- Larry Tuner
- Timothy Voors
- Robert Yaap

• **CDVA Reps. Present**

- Ralph Cansimbe
- Steve Dakota
- Glen Halsey (co-chair)

- **DGS Reps. Present**
 - Gloria Anderson
 - Patricia Connors
 - Pat Jones

Observers Present

- Mike Greene, DVBE Alliance
- David Owen, DVBE advocate, California Department of Corrections

DVBE Advisory Council Members Absent

- Alison Boyle
- Bill Bruckner
- Jerry Caton
- Michael Johnson
- John Robbins
- Francis Trottier
- A. J. Wilson

Welcome and Introductions

- Don Gonneville, co-chair, CDVA DVBE Advisory Council, opened the meeting at 10:10 a.m. and welcomed the Council and attendees and then turned the meeting over to Glen Halsey, state DVBE advocate and chief, Veterans Services Division (VSD), CDVA.
- Halsey asked for introductions, including new members.
- Halsey welcomed everyone and talked about proper parking procedures in front of the California Department of Veterans Affairs building.
- Halsey announced he's retiring at the end of the year and said it would be official at the end of next month.
- Halsey said the council has lot of momentum, that he is pushing for the state DVBE advocate to stay at his level, doesn't want the council to lose momentum, and re-emphasized his suggestion that the council identify three or four things most important so he can put them in place when he retires and get them to Don Gonneville.
- He listed as three things: unbundling, primes, and payments and said he'll do "whatever I can."
- Ralph Cansimbe, headquarters office manager, VSD, CDVA, and Dave Owens, DVBE advocate, California Department of Corrections, seated in the audience, introduced themselves.

Approval of Minutes

- Motion to approve the minutes from the May meeting passed.

Continuation of Welcome and Introductions

- Patti Connors, DGS, said she is attending for the first time and that she will talk with the council regularly.
- Gonneville said please feel free to talk during the meetings and that he enjoyed the participation of representatives from DGS.
- Gonneville then welcomed 2 new members: Gene Farnsworth and Robert Yaap.
- Gonneville said another new member, Michael Johnson, is in Asia and would be welcome at the next meeting.
- Gonneville thanked all new members for their participation and then welcome Rondia Moss, replacing A. J. Wilson.
- Gonneville then said, "Tim Voors just came in; he's been here forever."
- Larry Brooks said Jim Stanfield had surgery on his foot.
- Mike Greene, DVBE Alliance, then introduced himself and said AB 1592 includes suggestions for reforming the DVBE program. He said the original legislation was started by DGS several years ago and given to CDVA a year ago.
- AB 1592 did NOT pass. However, it was amended very late in the session to include language addressing the findings of the BSA audit of the DVBE program, according to Pat Jones.
- Gonneville said that under CDVA there have been a lot of changes with the council meetings and that the council is taking greater responsibility for itself.
- Gonneville said he wants to work between meetings and continue to work issues. Said he realizes all council members have companies to run so he wants to institute ways to work the issues and make progress.
- He said we've come a long way and have a long way to go and that the meetings will be conducted democratically.
- Said council members can raise issues and that no issue is taboo, but asked the council members to be judicious with their timing.

- He asked the council members that when they make motions that they have supporting documentation “so we can be better informed and have an opportunity to vote intelligently.”
- Gonneville also said “we’re going to tighten up the email roster” and that he wants to review emails prior to the meetings.
- Gonneville also said he wants to have scheduled agenda items and have an open forum.
- Gonneville said the meetings are to get work done and that he doesn’t want to stifle initiative.
- Gonneville then turned the meeting over to Halsey who passed out a Northern California Veterans Cemetery bid list.

DVBE Participation in Construction of Northern California State Veterans Cemetery and State Veterans Homes Construction

- Halsey said he had discussed the project in the past, located in Shasta County, and that, as an example, because the area’s served by Bob’s Phone Company, there are challenges in constructing the cemetery. Halsey said the project has been a challenge and that Cansimbe has taken the lead, with help from other cemeteries.
- Halsey said Sec. Johannessen wants the cemetery built by next summer and have it up and running by December 2004.
- Halsey said they’re taking the project from dirt to a cemetery and that they are building roads, infrastructure and storage tanks, “anything you can imagine.”
- Halsey said he could make the equipment list available and asked Cansimbe to go get the list.
- Halsey said the cemetery is a turnkey operation. “We will take ownership and operate it forever.”
- Halsey said Sec. Johannessen made a commitment to use 100 percent small businesses and DVBEs.
- Halsey then asked the council to help get the word out and said the cemetery is 10 miles southwest of Redding, near Anderson.
- Halsey said George Andries had passed out the construction plans for three new state veterans homes: West L.A., Lancaster and Saticoy/Ventura.

- Larry Turner then asked if Halsey could make the approved plans available. Halsey said, "Come into my office and see if this is what you want."
- Turner said he doesn't have an approved set of plans.
- Halsey asked Turner to help him understand what's needed.
- Turner said he's got several other groups and would like to get the plans to them and save money on sets of the plans.
- Halsey asked Turner to tell him what's needed.
- Kevin O'Connor said the California Department of Corrections provides plans for free.
- Pat Jones said she would find out.
- O'Connor said it would be good for DVBEs to review the specs because there're different kinds of concrete and that it's a good time to get the specs.
- Pat Jones asked, "Cemeteries or homes?"
- O'Connor said, "Make sure they're friendly to small businesses."
- O'Connor said, regarding hospitality, "We've contacted the architects, but they said the projects have been postponed."
- Turner said, "We don't want to be left out."
- Bob Mulz said in the minutes for the last council meeting there was an issue about trying to contact the architect and that when he tried there was no response and that the architects are not paying attention to the DVBEs.
- Allen Amaro said he obtained an appointment with George Andries after three months and that he ran into the same problem with Mr. Andries in bringing him to council meetings.
- Bob Mulz said people feel shut out of the veterans home construction process and that consulting should be at the beginning of the process.
- Don Gonneville said "they" should meet with DVBEs so they'd be involved in the planning process and that such a meeting, lasting 30 minutes, would be too much for a council meeting.

- Glen Halsey said he does not yet have plans, just sketches.
- Don Gonneville asked if November would be soon enough to obtain a copy of the plans.
- Larry Turner said he had called Glen and the architect to determine where the DVBEs stand.
- Don Gonneville said they did not establish better communication between the DVBEs and the architect.
- Pat Jones said there's no problem in contacting Larry Brown at DGS.
- Glen Halsey said it's okay with him if the DVBEs obtain copies of the plan at no costs.
- Glen Halsey also said it's okay with the Construction Division, which is doing all the veterans homes, that he will push hard to make things happen, that he's only talked to Larry a couple of times, and that he's not comfortable with construction.
- Larry Turner said he received a bid for sidewalk repair at Yountville, asked why he needs experience with roofing for such a bid, and said he left a message for Jack Byrd. Byrd has not returned Turner's phone call.

Committee Updates

- Don Gonneville said the Procurement Committee is a new committee consisting of Mulz, Boyle, Turner and Brooks.
- Gonneville also said Alison Boyle is going through medical issues and recommended the members appoint a new chairman. Gonneville also said they
- Kevin O'Connor volunteered to serve on the Procurement Committee.
- Don Gonneville said they would add Kevin to the committee.
- Allen Amaro volunteered for the Legislation Committee.
- Gonneville said the members of the Procurement Committee should decide who will replace Alison as chair and move on and that the committee will be important.
- Gonneville said Jerry Caton, of the Outreach Committee, is tied up.
- Two of the four members were present: John Rak and Ken Jackson.

- Gonneville asked for an update.
- Jackson said Jerry Caton couldn't make it to the council meeting so he would send out an email blast. Said he and Rak would talk, since Caton is not present.
- Don Gonneville said to move on and talk about committee issues.
- Tim Voors of the Legislation Committee said he's looking at a bill for next year with Mike Green.
- Allen Amaro said he wants to be added to the Legislation Committee. Said he wants all committees to report to the state DVBE advocate and that he wants the advocate to be the one voice. Said it would help solve problems and apologized for missing the last meeting.
- Don Gonneville said Allen's now on the committee.
- Don Gonneville said A. J. Wilson is addressing a group in Washington, D.C., which is why he's not here.
- Floyd said he talked to A. J.
- Pat Jones said she wanted to report on something for Francis Trottier.
- Don Gonneville said Francis' email is down.
- Pat Jones said Francis brought to her attention that the new DVBE requirements attachment used with state solicitations had an incorrect 7-day advertising requirement (pat of a good faith effort).
- Jones aid Francis was right. Seven-days should not be the default; it should be 14 days. Jones said she was happy to report the changes will be made in DGS' website this week.
- Don Gonneville encouraged everyone to participate on a committee.
- John Rak encouraged the Los Angeles members to participate on the Outreach Committee.
- Don Gonneville said he concurred that they are still looking for someone up north near Redding, and that then they would get more DVBE participation.

State Veterans Homes and State Veterans Cemeteries

- Glen Halsey said, regarding the three future state veterans homes, including Fresno and Redding, it may be worthwhile for DVBEs to contract with state facilities for security guards and the like.
- Don Gonneville asked about maintenance.
- Halsey said CDVA would have to go with its own people.
- Halsey estimated the budget at \$600,000, plus the operational staff.
- Halsey said CDVA would receive reimbursement for burial, but not for landscaping.
- Don Gonneville asked, when CDVA contracts for staff, would disabled veterans receive a preference?
- Halsey said, whatever the State Personnel Board allows.
- Don Gonneville asked the Legislative Committee if a bill would be authored, requiring positions at the new cemetery be veterans.
- Gonneville asked for a motion on whether the Legislative Committee would study the matter and put forth legislation.
- Larry Turned seconded the motion.
- Allen Amaro said preferences are not a good word and that it would be bounced around in a committee.
- Gonneville said CDVA should hire more veterans for vacant position.
- Bob Mulz said a champion should be picked who will put the hose on the line.
- Don Gonneville said veterans have legislators who are friends.
- Halsey said, as an example, there are references in the Military and Veterans code for the secretary and for the deputy secretary for women veterans affairs.
- Halsey also said they should take a look at the definition of a service-connected disabled veteran and that they must make a code change.

- Don Gonneville made a motion for the Legislative Committee to study the issue about more veterans and disabled veterans in sensitive positions.
- Don Gonneville asked if everyone is in favor of the committee reporting back at the next meeting.
- Glen Halsey mentioned that SB 748, regarding future cemetery sites, would probably pass and that there will be a committee appointed by the Legislature and the governor.
- Halsey said possible locations include Fort Ord and Monterey, San Luis Obispo, Fresno, and Bakersfield.

DGS Legislative Update

- Pat Jones passed an update around the table.
- Jones said she would add 1592 and several two-year bills.
- Pointed out the most pertinent bills (see attachment):
- AB 17 – Would prohibit a state agency from entering into a contract for the acquisition of good and services with a vendor or contractor who does not offer benefits to domestic partner employees that are equal to benefits offered to employees with spouses, under specified conditions. Applies to contracts with \$100,000 or more.
- AB 1093 – This bill would enact provisions known as the California Living Wage Act. Would require the state, and any qualified contractor and qualified subcontractor, as defined, that performs work under a qualified contract, as defined, for a state agency, to pay not less than a living wage, as defined, to each of its employees, as defined, performing work under that contract, as provided.
- Would authorize an employee to sue to recover unpaid wages, costs, and attorney's fees from a qualified contractor or qualified subcontractor, as specified.
- This bill would also require certain provisions to appear in a qualified contract and any subcontract to that qualified contract.
- SB 640 – Would prohibit a state agency from entering into any contract with an expatriate corporation, as defined, or its subsidiary, unless certain conditions are met.
 - Larry Turner asked if there's a list for contractors for goods and services that are incorporated offshore.

- Pat Jones said the state treasurer has a list, which includes 10-15 names.
- SB 578 – Existing law requires state agencies to provide in every contract for procurement of equipment, materials, or supplies, other than procurement related to a public works contract, that the contractor certify that no foreign-made equipment, materials, or supplies provided under contract are produced by force labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit thereof.
- Would delete the foreign-made restriction, include apparel, garments and corresponding accessories and the laundering thereof, as defined, as a subject of procurements, impose new requirements upon contractors including the Sweat free Code of Conduct.
- Larry Turner asked if there's a list for contractors for goods and services offshore.
- Pat Jones said the state treasurer has list, which includes 10-15 names.
- AB 296 – Existing law specified that no agency is required to use the Office of State Publishing (OSP) for its printing needs, but that the OSP may offer printing services to both state and other governmental agencies.
- When soliciting bids for printing services from the private sector, state agencies are required to also solicit a bid from the OSP when the project is anticipated to cost more than \$5,000.
- Existing law authorizes the Department of General Services to establish a negotiation process that may be used during various stages of the procurement process when the department procures goods, services, construction services, or information technology for itself or on behalf of another state agency. This bill would, until July 1, 2006, instead authorize that negotiation process relative to contracts for goods, services, information technology, and telecommunications, and authorize the department to negotiate amendments to existing contracts, as provided.
- AB 323 (Emulates language in Welfare Code. Unsure if it went to enrollment.) – This bill would authorize any state agency, city, county, political subdivision, or district to, without advertising or calling for bids, purchase goods manufactured by, and services provided by, nonprofit veteran service agencies, as defined, and to equitably apportion the purchases among those agencies, provided certain requirements are met.
- AB 415 & SB 896 > Did not go anywhere this year.

- AB 415 – Would prohibit state agencies from entering into contracts or amendments using a multiple award, that result in the aggregate, in the purchase of IT goods and services that exceeds \$500,000 in any fiscal year.
- SB 896 – Would prohibit state agencies from entering into CMAS contracts, unless the or state agency first obtains 3 price quotations, including at least one price quotation from a certified small business, and the legal counsel of the DGS or the state agency reviews all sole-source contracts and emergency purchases to ensure that they comply with the applicable statutory requirements.
- AB 722 (Governor signed. Pat said she took the council's concerns to DGS, but to no avail.) – This bill would authorize the Department of General Services to utilize reverse auctions, as defined, for the acquisition of goods, services, and information technology.
- Jones said DGS has been hit hard, has lists of surplus employees, and have robbed Peter to pay Paul. Department is permitted to take equipment money to pay for personnel.
- AB 669 & SB 1008 (has stronger sanctions) > Governor wanted both bills.
- AB 669 – Would require small businesses and DVBEs to perform commercially useful functions, as defined, in relation to any contract those businesses are awarded under those provisions, or any state contract, which they are performing as a subcontractor on.
- Also imposes additional sanctions on vendors engaging in fraudulent activity to gain and retain a DVBE certification, and to win state contracts.
- Tim Voors asked Jones if the bills would apply to small businesses (SBs)?
- Jones said the number is in the DVBE regulations and that the bills would apply to SBs.
- Voors also asked if the bills would apply to all businesses or exempt large corporations.
- Jones said that was a good point and that they have to protect the integrity of the DVBE Program.
- Jones said they made some mistakes and didn't look close enough trying to be responsive.

- Jones also said they're trying to set something in place to protect legitimate DVBEs and SBs and that they don't want homeless veterans as figureheads.
- Kevin O'Connor then asked Pat Jones, regarding the cost benefit to the state, if OSBCR, with it's limited resources, would audit the small business certificate holders that have the five percent bid preference first, rather than after they have "cleansed" the DVBE population.
- K. O'Connor went on to say that in these tight budgetary times the state needs to save money any way it can, that fraudulent small business certificate holders are costing the state as much as five percent on state contracts they are receiving, and that "they" want to make sure that homeless veterans don't benefit from the program.
- Voors said he doesn't want laws that don't apply across-the-board.
- Don Gonneville said this is an advisory committee that they will weed out those who should not be DVBEs, and that they'll work together with Pat Jones.

LUNCH

- Don Gonneville then adjourned the meeting for lunch at 11:40 a.m.

DVBEs/Federal Monies

- Gonneville resumed the meeting and called on Larry Turner.
- Larry Turner then read the following letter:

To: CDVA-DVBE Council 9/17/03

Subject: Actions

With all due respect, I would like to pose a few questions to this council. Will we or will we not do something, will we make a stand or just sit back and be pacified with the inactivity of this council. I have presented this council with letters and was told by this council they would like to rewrite them, correct, edit and make sure the English and grammar was not that of, I believe the word was monkey, then the council would forward the letters to the appropriate people. To this I agreed and after waiting two months, I am still waiting to see action. To this I agreed and after waiting two months, I am still waiting to see action. I understand bureaucracy moves slow, but, we are not a bureaucracy, we are independent business people with the responsibility to help our fellow DVBEs, we as a group cannot afford to sit on our laurels and expect things to be done. There will be no action unless we push the cause, unless we demand the action.

Some of you will undoubtedly tell me things take time, and we have to be careful not to upset the powers to be, well understand what I am about to tell all of you. People in the DVBE community are dying; some are going out of business, because of broken promises and the continual disregard for the laws enacted in this state.

The time has come to act with aggression, we can no longer sit back and be defensive, we are being picked off one by one by the snipers, we need a full fledged frontal assault, yes there will be casualties with this action, and I for one have already designated myself position of point man. So I am not asking anyone to take a bullet for me, I will more than happily lead the charge, but, with this in mind I need to know my flank is covered and especially by this council's commitment to the attack. The probabilities of upsetting political figures is a reality, but if need be, we, can bring the lights to bear with the media on those whom we perceive us as the enemy.

We as a group understand the sacrifices made to keep the freedoms we all enjoy, and once again, we must be willing to sacrifice, for if we allow this time to pass without making considerable headway, we as a group will have failed not only ourselves, but, more importantly we have failed our future DVBE comrades, and as we speak more are being created, this I am not prepared to accept as an alternative, this inactivity must cease, due diligence must be put behind every effort we partake in, those of you on this council who feel the same as I do, please, join me in the upcoming war. Those of you who feel the heat from being in the oven and have second thoughts about the upcoming battles, please, step aside and allow others to be transferred to the front.

The next steps this council takes will and should be decisive, loud enough to make those watching turn their heads, we must become a force to be

reckoned with, or, we will surely wither away, and once again allow those who know nothing about true sacrifice to use and abuse the youth of our nation who faithfully lay their lives on the line to secure our freedom. The ideological idiots who believe that if you ignore trouble it will go away, that fat cats who stay at home and build empires while others fight, the ordinary sheep of our nation who continue to take and not put anything back, the intolerable politician who wins on the military personnel's back and then turns his back on them after the job is done, these injustices must be rectified and stopped in their tracks.

I for one, am very tired of being laughed at, pacified and shuffled from one idiot to the next, many of which do not care and make it very clear that they do not care, it is time to make a stand. We have momentum, we have abilities, we have a quiet, but very large citizenry behind us, just waiting for us to assume the leadership roles and show them the way to victory. Let us stop wasting time and either put up or shut up, let's get busy, time is wasting and we no longer have the luxury to waste it.

To further this effort before you are letters back and forth on the federal level.

Note the memorandum from the White House to all department heads.

There no longer is an excuse for DVBEs not to be included in federal monies.

This council needs to demand DVBE inclusion on all federal dollars received by the state.

Larry Turner

- Turner then distributed copies of the following documents:

DEPARTMENT OF VETERANS AFFAIRS
Center for Veterans Enterprise
Washington DC 20420

AUG – 8 2003

Mr. Larry Turner
3370 Dakota Avenue
Modesto, CA 95358

In Reply Refer To: 00VE

Dear Mr. Turner:

Thank you for the correspondence you sent via facsimile on July 7, recommending actions for Federal and State leaders that may improve procurement opportunities for service-connected disabled veteran-owned small businesses (VOSBs). Upon review of the enclosed materials, I hope you will agree that we have momentum for Veterans Entrepreneurship at the Federal Government level.

On April 29, 2003, Ms. Angela Styles of the Executive Office of the President dispatched Memorandum #M-03-11, Participation of Veterans in Federal Contracting, to the Heads of All Departments and Agencies. Further, she testified before the House Subcommittee on Veterans Benefits on February 5 and again on April 30 regarding the importance of a cohesive and coordinated leadership effort to increase opportunities for SDVOSBs in Federal contracting.

Within the Department of Veterans Affairs (VA), our leadership team jointly approved the recommendations of an Internal Tasks Force chartered to identify definitive actions that will improve our performance with veteran-owned small businesses and with service-disabled small businesses. Affixing their signature to the report and its recommendations were:

The Honorable Anthony J. Principi, Secretary of Veterans Affairs; The Honorable Leo S. Mackay, Jr., Ph.D., Deputy Secretary of Veterans Affairs; Mr. William H. Campbell, Senior Procurement Executive; Mr. Gary J. Krump, Associate Deputy Assistant Secretary for Acquisition and Material Management; and Scott F. Denniston, Director, Office of Small and Disadvantaged Business Utilization

Mr. Larry Turner
Page Two

This report has been distributed in multiple copies to all VA facilities. It is posted on the website for VA's Center for Veterans Enterprise, www.vetbiz.gov. It has been discussed on national teleconference calls and distributed to congressional offices. You will notice that the Deputy Secretary created a

separate memorandum transmitting this report, expressing that both he and the Secretary will closely follow the implementation of all the recommendations. The report contains 63 separate actions grouped into 5 major goal areas. One major area that may interest you is Goal #4, Develop Appropriate Personnel Performance Standards and Award Systems to Encourage Achievement of VA's VOSB and SDVOSB Goals.

In closing, you are welcome to call me on 866.584.2344 after you've had the opportunity to read these materials. I am confident that with the support of the White House and VA's leadership that we will see very positive outcomes in FY 2004.

Sincerely,
Gail Wagner
Deputy Director for Veterans

Enterprise
Enclosures (2)

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

OFFICE OF FEDERAL
PROCUREMENT POLICY
M-03-11

April 29, 2003

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Angela B. Styles
Administrator

SUBJECT: Participation of Veterans in Federal Counseling

The purpose of this memorandum is to encourage agencies to focus contracting efforts on small businesses owned and operated by veterans, including service-disabled veterans. This Administration is committed to ensuring that veterans are provided every opportunity to fully integrate themselves in their communities upon return from service. We must demonstrate to our service personnel that we support them in all that they do, and that we fully appreciate the sacrifices they have made on our behalf. This will be an especially urgent tasking within the next couple of months.

Section 502 of Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999, sets a 3 percent government-wide goal for participation by small businesses owned and controlled by service-disabled veterans in federal contracting and subcontracting. The law is implemented through goaling letters issued to agencies by the Small Business Administration (SBA). Individual agency goals are calculated as the result of a negotiation between SBA and a procuring agency based on what is intended to realistically reflect the potential of small businesses to perform contracts and subcontracts of the agency.

A recent review of agency progress in meeting these negotiated goals reflects that we are not doing a very good job. A summary of each agency's progress for fiscal year 2001 and the first three quarters of fiscal year 2002 is attached. While low numbers are not surprising for the first year after a statutory goal is established, decreasing numbers indicate that we have issues that must be resolved. Although these goals may not be easy to accomplish, we must do better. To assist agencies in locating veteran-owned small businesses, the Department of Veterans Affairs is creating VETBIZ Vendor Information Pages at www.vetbiz.gov.

This Administration is committed to providing small business opportunities in our federal procurement system, particularly opportunities for the very people

that have fought and suffered for the principles behind our competitive enterprise system. We appreciate the work of agencies that have met their goals. We are asking each agency to take another look at ways to provide opportunities for small businesses owned and operated by veterans who are able and willing to supply quality goods and services at competitive prices. We must strive to meet the needs of our veterans today and tomorrow.

**PERCENTAGE OF PRIME CONTRACTS AWARDED TO
SERVICE-DISABLED VETERAN-OWNED AND
VETERAN-OWNED SMALL BUSINESSES**

AGENCY	FY 2001		FY 2002 (First 3 Quarters)	
	Service-Disabled Veteran-Owned Small Businesses (%)	Veteran-Owned Small Businesses (%)	Service-Disabled Veteran-Owned Small Businesses (%)	Veteran-Owned Small Businesses (%)
Executive Office of the President	0	0.44	0.00	0.00
Department of Agriculture	0.1	0.26	0.19	0.60
Department of Commerce	0.09	0.04	0.02	0.27
Department of Defense	0.34	0.11	0.08	0.32
Department of Education	0.03	0.13	0.00	0.50
Department of Energy	0.01	0.06	0.00	0.50
Department of Health & Human Services	0.13	0.91	0.12	0.89
Department of Housing & Urban Development	0.11	0.22	0.18	0.11
Department of the Interior	0.03	0.64	0.16	1.05
Department of Justice	0.01	0.2	0.06	0.14
Department of Labor	0	0.49	0.00	0.57
Department of State	1.17	2.84	0.52	0.46
Department of Transportation	0.16	1.14	0.55	1.15
Department of the Treasury	0.44	0.85	0.59	1.01
Department of Veterans Affairs	0.22	2.1	0.51	1.96

Agency for International Development	0	0	0.00	0.00
American Battle Monuments Commission	0	0	0.00	0.00
Broadcasting Board of Governors	0	1.97	0.00	3.08
Commission on Civil Rights	0	0		
Commodity Futures Trading Commission	0	0	0.00	0.00
Consumer Product Safety Commission	5.06	1.4	7.64	0.07
Corp for National & Commodity Service	0	0		
Defense Nuclear Facilities Safety	0	0		
Environmental Protection Agency	0	0.05	0.00	0.04
Equal Employment Opportunity Commission	0.26	0	0.00	0.08
Federal Communications	0	0		
Federal Election Commission	0	0	0.00	0.00
Federal Emergency Management Agency	0	1.06	0.00	1.00
Federal Energy Regulatory Commission	0	0	0.00	0.00
Federal Maritime Commission	0	0	0.00	0.00
Federal Mediation and	0	0	0.00	0.00

Conciliation Service				
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**PERCENTAGE OF PRIME CONTRACTS AWARDED TO
SERVICE-DISABLED VETERAN-OWNED AND
VETERAN-OWNED SMALL BUSINESSES**

AGENCY	FY 2001		FY 2002 (First 3 Quarters)	
	Service- Disabled Veteran- Owned Small Businesses (%)	Veteran- Owned Small Businesses (%)	Service- Disabled Veteran- Owned Small Businesses (%)	Veteran- Owned Small Businesses (%)
Federal Mine Safety & Health Review	0	0		
Federal Trade Commission	0.8	5.34	0.12	1.24
General Services Administration	0.05	0.51	0.06	0.60
International Trade Commission	0	1.41	0.00	0.44
J.F. Kennedy Center for the Performing Arts	3.64	0.16	0.00	0.21
National Aeronautics and space Administration	0	0.14	0.12	0.09
National Archives and Records Administration	0	0.26	0.00	0.00
National Endowment for the Arts	0	0	24.43	0.46
National Endowment for the Humanities	0	0	0.00	0.00
National Gallery of Art	0	0	0.00	0.00
National Labor Relations Board	0	0	0.00	0.00
National Mediation Board	0	0	0.00	0.00
National Science Foundation	0	0.04	0.01	0.01
National Transportation Safety Board	0	0	0.00	0.00
Nuclear Regulatory	0	0.08	0.05	0.51

Commission				
Occupational Safety and Health Rev	0	0		
Office of Personnel Management	0.02	0.01	0.00	0.03
Peace Corps	2.36	0		
Railroad Retirement Board	4.13	4.77	6.43	3.17
Securities and Exchange Commission	0	0	0.00	0.00
Selective Service System	0.91	8.79	0.00	0.86
Small Business Administration	0.1	0.74	0.00	1.02
Smithsonian Institution	0	0	0.00	0.00
Social Security Administration	0.23	2.13	0.45	0.71
United States Holocaust Memorial Museum	0	0		
United States Soldiers and Airmen's Home	0	3.8	0.00	0.00
United States Trade and Development Agency	0	0	0.00	0.00

**SUBCONTRACTS (WHOLE DOLLARS) AWARDED TO
SERVICE-DISABLED VETERAN-OWNED AND
VETERAN-OWNED SMALL BUSINESSES
IN FY 2001**

REPORTING AGENCY	Veteran- Owned Small Businesses	Service- Disabled Veteran- Owned Small Businesses
Executive Office of the President	0	0
Agency for International Development	0	0
Agriculture, Department of	2,969,814	559,329
Interior, Department of	1,117,865	428,355
Justice, Department of	6,934,516	87,159
Labor, Department of	924,218	8,415
State, Department of	0	0
Treasury, Department of	2,209,629	122,648
Office of Personnel Management	0	0
Social Security Administration	1,106	11
Nuclear Regulatory Commission	162,443	16,443
Veterans Affairs, Department of	17,990,728	526,708
General Services, Administration	29,789,589	2,225,443
Federal Emergency Management Agency	28,207	0
Environmental Protection Agency	1,367,374	895,988
Transportation, Department of	3,221,736	795,331
Health and Human Services, Department	560,127	845
National Aeronautics and Space Administration	34,239,859	3,783,826
Housing and Urban Development, Department of	504,493	171,533
National Archives and Records Administration	10,317	0

Energy, Department of	7,827,912	78,202
Federal Energy Regulatory Commission	0	0
Education, Department of	0	0
Broadcasting Board of Governors	0	0
Defense, Department of	497,822,430	64,652,483
Grand Totals	607,682,363	74,652,719

*For the purposes of this chart only – veteran-owned dollars include service disabled and other veteran-owned small businesses.

Department of
Veterans Affairs

Memorandum

Date: April 28, 2003

From: Deputy Secretary of Veterans Affairs

Subj: Veteran-Owned and Service-Disabled Veteran-Owned Task Force Report

To: Under Secretaries, Assistant Secretaries, and Other Key Officials

1. VA should lead the Federal community in providing business opportunities for Veteran-Owned (VO) and Service-Disabled Veteran-Owned (SDVO) small businesses. Yet to date, our overall track record has been disappointing; we continue to fall short in meeting both internal and Government-wide goals. VA can and must do better.
2. The attached report, prepared by the Veteran-Owned and Service-Disabled Veteran-Owned Small Business Task Force, provide a blueprint for improving VA's performance in this area. Established in July 2002, the Task Force included representatives from a wide range of VA organizations. The Task Force developed specific recommendations to help VA achieve its goals for doing business with Veteran Owned and Service Disabled Veteran-Owned small businesses. The Secretary has approved the report and all its recommendations. Now it is time to implement them.
3. Implementing these recommendations will require a concerted team effort throughout our Department. The Secretary and I plan to follow very closely the status of the implementation process and the results. We are determined to increase the amount of business VA does with VO and SDVO small businesses.
4. Providing business opportunities to veterans who own small businesses is altogether consistent with our mission to serve our Nation's veterans. Please review this report carefully so you can do your part to increase business opportunities for these small businesses. Help VA honor its commitment to veterans by "Putting Veterans First," thinking first of VO and SDVO small businesses with each and every procurement requirement.

Leo S. Mackay, Jr.

Attachment

VA FORM 2105

MAR 1989

- Turner said there would be no action unless we push the cause and that some DVBES are trying.
- Tuner also said the time has come for a frontal assault and that's he willing to lead the charge, which can upset political reality reported by the media, but he is willing to sacrifice, otherwise they will have failed their comrades and that inactivity must cease and they need due-diligence.
- Turner also said the next step should be a decision or they will wither away.
- Voors said they need to make a stand, assume a leadership role, and that time's wasting.
- Turner said the council needs to demand federal money from grants awarded to the state and put forth into motion letters sent to the president and department heads.
- John Rak seconded the motion.
- Motion for discussion.
- Ken Jackson asked for clarification and whether they would ask for a mandate for three percent.
- Voors asked if the mandate would include Catrans.
- Turner said yes.
- Don Gonneville suggested the council form an ad hoc committee and send an email to all members.
- Gonneville suggested the names of the committee members be forwarded to the governor as soon as they're approved.
- Ken Jackson, John Rak, Bob Mulz, and Bob Yaap volunteered.
- They said the letter will go out as soon as the council approves.
- Allen Amaro suggested the committee exclude CDVA.
- Gonneville and Halsey said to drop CDVA from the committee.

- Floyd asked if the committee should have milestones.
- Gonneville said, as soon as the committee submits the letter, and that he will handle in one week, unless some issue doesn't make sense.
- Rondia asked for clarification and if the three percent mandate would apply to the federal government.
- Turner said, millions of dollars spent by Caltrans is not going to DVBEs and that the state's not putting the three percent requirement on federal money coming into the state, and this is inclusive of grants and federal aid monies.
- Gonneville said DVBEs not getting three percent of federal money coming into the state is an issue and that DVBEs must be included without exceptions.
- Bob Mulz said Duncan Hunter's investigating.
- Floyd Knox said there may be a solution after submitting the letter.
- Gonneville said to wait until the letter is formulated, asked if they needed approval to sign the letter, and that they need to decide how to sign the letter.
- Motion passed to send the letter to the governor and all department heads.
- Motion was approved unanimously with no abstentions.
- Someone asked who would sign the letter.
- Tim Voors said he wants everyone to sign the letter.
- Gonneville recommended one signature with a list of all the names.
- Halsey said CDVA could design a letterhead.
- Larry Brooks said Tim Stanfield could design the letterhead.
- Gonneville said they should move forward.

Department of General Services

- Jones said things have changed in her office regarding the certification process and on-going audits.

- Jones said she had to dedicate a person to this issue.
- Gloria said she is the manager of Administration and Compliance.
- Said she oversees reviews done for DVBE and SB certification.
- Said she makes the final decision on all firms with, if needed, consultation with DGS Legal.
- The California Department of Forestry and Fire Protection call list requested information for everyone.
- Said she has revoked a number of certifications with 12-18 pending.
- Said she audited and found problems with some DVBEs that are doing business with Caltrans and the Department of Forestry.
- Said three revocations have been appealed.
- A hearing officer under contract who upheld DGS's decisions handled 2 appeals.
- Said she was happy that DGS's decisions were upheld.
- Said she forwarded the files to the Attorney General's Office about preventing businesses from doing business.
- Said, in some very blatant cases, they raked in thousands of dollars and gave DVBE a couple of hundred dollars.
- Nicknamed the Lady of Steel, she said she is tough, but fair.
- Said she came to the State from McClellan Air Force Base where she performed pre-production planning for F-111 aircraft, which prepared her for management 13 years ago.
- Said she got a B.A. degree and went to DGS.
- Said she took graduate courses became a contract specialist.
- Said she went to the Office of Small Business and DVBE after working at Prison Industries Authority.
- Said she put in place a tool kit for contracting officials statewide.

- Said her Dad was a World War II veteran and walked into Nazi prison camps and that her mom is from Liverpool.
- Said she and her husband were stationed in Japan during Vietnam and that she lost three classmates in Vietnam.
- Said supporting DVBEs is in her system and in her blood.
- Said in the past some DVBEs were certified too quickly and that after looking closely at some of the partnerships she realized that less than 50 percent were honest.
- Said the bad guys included inaccurate social security numbers or omitted other information.
- Said they need to look at those doing business with CDF and their backup/supporting documents.
- Said many had been less than honest.
- Said some cases came back because there was no veteran signature on the bank signature card.
- Said some business licenses listed partners other than DVBEs, which opened her eyes.
- Said she asked for copies of contracts, bank signature cards, and double-checked where their phone rings.
- Said nonveteran partner had different address than DVBE...150 miles from the equipment.
- Said she makes responsible decisions based on facts.
- Said she has a worksheet and that the process is going faster.
- Said she now asks what the veteran does on a day-to-day basis.
- Said she looks at things industry by industry and goes through things point by point.
- Said she now questions long-time certified DVBEs.
- Said she's also a public records officer.

- Said she feels comfortable with the companies that have been recertified and that she's looked at 100 of them.
- Said some applicants were denied certification for being non-responsive, for having no assets, or because they did not provide a commercially useful function.
- Said most have been partnerships: Disabled veteran = 51 percent, other person = 49 percent.
- Said DGS should have been more diligent.
- Said she saw some large and some small businesses with 50 pieces of equipment get one of their employees or relatives to front the company as a DVBE, then others jumped on the bandwagon causing a ripple effect.
- Said 24 DVBEs have been decertified or denied, 960 DVBE are certified, and 75-80 have been audited.
- Allen Amaro said he picked CDF because it was the most blatant.
- Said companies are greedy and dupe disabled veterans.
- Said after decertification, businesses go back to doing business with the state and asked if this is perceived as negative.
- Said he wants to get press coverage and get the attorney general to take action!
- Gloria said she's concerned about one DVBE at Caltrans and one DVBE at WRCB.
- Said when they called the DVBE sub the prime contractor answered the telephone!
- Said the DVBE shared the office with an SB who shared it secretly with the DVBE and paid cash for the lease.
- Tim Voors asked Pat Jones if the AG is pressing charges and has the AG prosecuted any prime contractors working with DVBEs.
- Jones said not that she's aware of.
- Kevin said the AG said he would not pursue unless DGS pays for the attorneys.

- Said the agency hasn't had to reimburse the AG for attorney fees and that if DGS drops the case, the AG won't pursue it.
- Jones said DGS is talking to the AG.
- Kevin asked who has the authority to suspend a bidder.
- Jones said DGS likely would end up doing it.
- Jones said it's easier to get answers to questions at the time of renewal, which saves time and money.
- Ken Jackson said he wants to see fraud cleared up and that they need to pursue the prime contractors.
- Jones said the problem is with the way the law is written, but that SB 1008 takes care of that, and that she expects the governor to sign the bill.
- Gloria said she has one complaint from Parks and Recreation, that she called them, but they have not provided details.
- Allen Amaro said the False Claims Act allows, for every invoice, \$10,000 plus punitive damages, if the AG won't take it for the state.
- Someone else said the state could not afford to take the case, but Pacific Legal Foundation may assist.
- Gloria said she tries to mentor and that she has found partnership agreements in which the mail did not get to the veteran's house and that the vet did not answer the phone.
- Said it became very obvious who was making all the money.
- John Rak said DVBES are increasing at the rate of 66 per year.
- Jones said not that fast.
- Rak asked what messages should be sent to new DVBES.
- Jones said she thought the council should help constitute that at the next meeting.
- Tim Voors said the AG has not prosecuted any primes for DVBES and that under the False Claims Act the AG takes 50 percent of the settlement.

- Allen Amaro said a trucking company was prosecuted through the AG.
- Voors said the AG said it was an interesting case, but did not have the time, money or inclination to pursue.
- Larry Turner told Allen Amaro to be careful about using Pacific Legal Foundation, because they were willing to pursue the case if DVBEs would support other causes of the foundation.
- Floyd then asked if DVBEs could police themselves in, as an example, in the Los Angeles area and that someone in L.A. could check things out.
- Glen Halsey said he'd talked to George Andries and encouraged him to call the architect inviting him to the next meeting, which he said is logical.
- Halsey said he wants to know the stumbling blocks, including the nuts and bolts.
- Gonneville said he wants the Construction Committee to, in two days, request a dozen copies of the construction plans to be distributed for the state cemeteries and state veterans homes, but that they needed something in writing.
- Gonneville said they should get it done right away.

BREAK

- The council then took a 10-minute break at 1:57 p.m.

MEETING RESUMES

- The council resumed meeting at 2:07 p.m.

PUBLIC AFFAIRS RECOMMENDATIONS BY STEVE DAKOTA

- Gonneville put forth a motion that the minutes from the council meetings be posted in CDVA's website.
- Allen Amaro seconded the motion.
- The council members approved the motion and also a motion to post in CDVA's website:
 - The names of the members of the advisory council, including their contact information (address, phone and fax number, email address, web site, etc.) and
 - DVBE "Success Stories," similar to the homeless veterans outreach and awareness success stories already posted in the department's website, to be submitted by DVBEs.

OPEN FORUM/DGS ISSUES

- Bob Mulz said with regard to bidding on some radio electronics, DGS exempted that category from procurement.
- Jones said a publication, Eldridge Bid Reporter, lists all bids on the street.
- Someone said the bidding Mulz referred to was a radio contract with no DVBE advocate requirement, but that they now have a DVBE requirement.
- Jones said the DVBE requirement has been in there right from the start.
- Jones also said, under a long-standing policy, if there's not DVBE requirement in the solicitation, they need approval from the DGS director.
- Jones also said there is a short list and that the director can exempt transactions under \$10,000 from DVBE requirements.
- Jones also said, as an example, fresh produce is on a very short list.
- Allen Amaro said he sent two emails to CDVA to inspect accounting for DVBEs that provide services to CDVA.
- Said he sent to Deputy Secretary Schmidt copies of trackings from Caltrans and that CDVA should follow the same plan.
- Amaro asked if AB 737 includes any idea of the number of contracts.
- Jones said state agencies should include that information in their annual reports.
- Jones also said she will email Gonneville and Halsey.
- John Rak said there's a pecking order in the DGS Real Estate Services Division and that the DGS RESD was going to rebid three bids and asked if there was a DVBE requirement in the contract.
- Rak also asked what could be done about a washer and dryer contract.
- Jones said she was not sure anything can be done and that they still have to follow some rules.
- Rak said his company was undercut by DRE and the he had a several-year contract, and that DRE put bids out to rebuild facilities.

- Jones asked Rak if he had contract problems with the DRE.
- Rak said new people assume a maintenance role after a new contract for modification.
- Ken said the commitment at the top is not so in the commodities area in the trenches and that the true numbers come whenever they see a dramatic downturn in the use of DVBEs.
- Larry Brooks said he'd host a meeting of veterans leadership and wants to go forward.
- Halsey said he is not sure when that would start.
- Gonneville said they should check.
- Brooks said he was waiting for DVBEs.
- Voors said that all they have to do is call Mark Anderson and that he will waive the fee.
- Larry Turner said the RED is very unfriendly and plays nasty games.
- Kevin said, regarding an items exempted list, the Procurement Committee would like to review the updated list.
- Rondia asked how many of the 960 certified DVBEs in the state are getting business from the state.
- Gonneville asked if they knew if anyone was checking on this.
- Larry Turner said Caltrans uses monthly quantities and an annual scientific tracking method to track not only DVBE inclusion, but also the jobs themselves and Disadvantaged Business Enterprises and SBs.
- Gonneville said not statewide.
- Turner said they must report by law.
- Rondia asked Turner how he knew.
- Gonneville said they had been raising the same issues for three years and that it is difficult to get accurate information and that a lot of state agencies don't report so it's not easy.

- Rondia said DVBEs are not getting any business for RFPs submitted.
- Gonneville said it's very illusive.
- Bob Mulz said he lost a contract with CDC, but won the bid.
- Jones asked Mulz to tell who and they will call contracting officials or call the advocate.
- Gonneville suggested it be turned over to Halsey.
- Halsey said he's working with the Small Business Administration in Washington, D.C., trying to get increased outreach.
- Halsey also said he wants to do town hall meetings and mentoring.
- Halsey also said there's some mechanism where one can use of the DVBE's services.
- Halsey also said he appreciate everyone's attendance and the his office will develop an outreach plan as soon as they get the two vacant positions filled.
- Halsey also said as soon as CDVA receives DPA's seniority list they will fill the two vacant positions.
- Halsey said he's going to work with Patty and go to all of each other's meetings and that he hopes they're all on the same track.

DATES FOR NEXT MEETINGS

- The next council meetings were scheduled for
 - Nov. 19, 2003
 - Jan. 14, 2004
 - March 16, 2004

CONCLUDING REMARKS

- Jones announced she's retiring Nov. 4, 2003 and said DGS is still making her work.
- Gonneville said DVBEs were losing their advocate and that the council will miss Jones and Halsey and wished them the best.
- Kevin recommended council members read the white paper published by the DVBE Alliance and said BSA did a state audit.

- Jackson said Jones is one of the most sincere persons for SBs and DVBEs.
- Gonneville said the council members will be communicating with each other and adjourned the meeting at 3:02 p.m.

MEETING ADJOURNED